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SUBJECT: TRAIN ACCIDENT REVEALS UNION WOES AND MAY LEAD TO RAIL SERVICE RESTRUCTURING

¶1. (SBU) Summary and Comment: Seven people were killed when an overnight Bangkok-bound express train derailed earlier this month. Citing the train crash as an example of the poor state of trains in Thailand, unionized railway workers in the deep South suspended local services, claiming that their action was in the interest of passenger safety. The government, however, saw the crash as evidence of a moribund rail system and called for a renewed effort to restructure the State Railway of Thailand (SRT). A subsequent confrontation between police and union members in Southern Thailand's Hat Yai rail hub was met by widespread public and media condemnation and threats by SRT management to fire the workers involved. The efforts of the once-powerful rail workers union to have its political voice heard is weakened by the failure of unionists to gain support from the mainstream political parties.
End Summary and Comment.

Train Derails, Kills Seven

¶2. (U) Seven individuals, including one young child, were killed when a train derailed early in the morning of October 5th. Eighty-some individuals were injured when the overnight Bangkok-bound express train travelling in excess of 100 kilometers an hour (more than 63 miles per hour) jumped the tracks in heavy rain. The incident happened about eight miles south of Hua Hin, a popular tourist getaway and the location of Wang Klai Kang Won Palace, where Thailand's king spends much of his time. The accident was one of the deadliest in Thai railway history. Damage and lost revenue is estimated to be in excess of 100 million baht (approximately 3 million USD).

¶3. (U) A fact finding committee found that the derailment was mainly caused by human error. The committee concluded that the driver dozed off after taking antihistamines and fever relief medication while on duty and violated train driving regulations. SRT fired the driver and cut salaries of other staff following the determination that the train's engineer and train attendant had failed to help monitor signals to ensure the safety of the train. The government seized on the report as reason to press forward with a restructuring of the entire railways system. Prime Minister Abhisit told the press on October 21 that he wanted to overhaul the SRT as soon as possible.

Labor Union Struggles

¶4. (U) The SRT labor union leader, Sawit Kaewwan, said that it was unfair to blame the train accident on the driver alone. A 1998 cabinet resolution limiting the SRT's recruitment had led to staff shortages, he said, and this led to staff members being forced to work every day and to often work double shifts. He and the train driver placed additional blame on a faulty alarm system.

¶5. (SBU) Sawit's unionists are already reeling from a poor public image and the fact that the union was cut out of the only new rail project in the last decade: the soon-to-open high speed Bangkok

airport link. With no new SRT hiring allowed under the 1998 cabinet resolution, the airport rail link was given special exemption to hire 500 non-union affiliated workers for the showcase, high-tech project.

¶6. (SBU) Comment: The rail workers labor union has historically been one of the most active of the state enterprise unions (private sector unions are almost non-existent). Current "Yellow Shirt" political leader Somsak Kosaisook was a former rail workers union head. Somsak put the Thai labor movement in opposition to then Prime Minister Thaksin because of Thaksin's efforts to privatize the state enterprises. Now with the Democrat-led government also opposing union positions, the labor movement in Thailand is struggling to find any home in the current political landscape. End Comment.

Move to Rail Service Restructure Revitalized

¶7. (SBU) Following the crash, the movement to overhaul Thailand's train system was once again brought to the fore. The SRT is one of the worst performing state enterprises with annual losses of billions of baht. In June, a plan to restructure the SRT was approved by the Cabinet. Under the plan, the SRT would be responsible for investment in the rail system and depots (i.e., train stations or freight storehouses/warehouses) and the government would provide financial support for operations. In addition, two companies, wholly owned by the SRT, would be created. One would operate rolling stock and the other would manage land owned by the agency. The rolling stock company would be divided into three units, one to operate the airport rail link, one to operate passenger transportation, and the last to operate cargo

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transportation. Recognizing that a main goal of the restructuring was to free rail operations from union-controlled labor, labor leaders led a work stoppage shortly after the Cabinet decision. The plan was then shelved. A labor advocate told Econoff that the union is against the restructuring plan as the union is convinced that the plan is not meant to solve the SRT's financial troubles but rather to divert government benefits to companies with political connections.

Southern Rail Service Suspension Gains Little Support

¶8. (U) On October 16, railway workers suspended local train service in southern Thailand, in some cases leaving passengers stranded. The head of the local SRT labor union cited concerns about passenger safety as the reason for the temporary stop in service. He told the press that the train derailment in Hua Hin was an example of the poor state of the trains, many of which have malfunctioning safety systems and locomotives in poor condition. (NOTE: The union was careful to say that the interruption of service was not a strike, but a "temporary suspension of service" aimed at ensuring that the trains passed maintenance checks before resuming service. Thailand's State Enterprise Labor Relations Act (SELRA) prohibits strikes by state enterprise workers. End Note.) The suspension was also aimed at unseating SRT governor Yutthana. Workers burned an effigy of him at the Hat Yai station, saying that he had failed to run the railway system efficiently. They also pointed to his indictment earlier this year for involvement in a suspicious leasing agreement, signed without any bids, as proof of his unsuitability.

¶9. (U) According to polls, the public is not supportive of the strike. The press reported lost revenues from tourism, shipment delays, increased shipment costs, and decreased income for taxi and tuk-tuk drivers who typically transport rail passengers from the train station to their final destination. The union has gained the support of a few groups, but no political party has come to its defense. A southern chapter of the People's Alliance for Democracy (PAD) announced its support as did the Campaign for Popular Democracy and the People's Network Coordination Center. The State Enterprise Labor Relations Confederation (SERC), the umbrella group of all of the state enterprise unions, lent its support to the

workers' anti-privatization stance. The SRT union, however, could not even get SERC backing for the suspension of service.

Police Attempt to Restore Service

¶110. (U) On October 26, in an attempt to restore service to the three southernmost provinces, more than 100 armed railway police and volunteers took possession of one train that was being held at Hat Yai station by union members. Amidst yelling from union members, but no physical resistance, the driver successfully drove the train out of the station. On October 27, a similar attempt was made to drive a train out of the Hat Yai station, which nearly resulted in a collision. The told the press that the union members had used the stationary train to block his route and had tampered with a switch that could have derailed his train. An hour-long confrontation followed between railway workers and police. Following the incident, SRT management halted negotiations with the union and announced plans to fire key union members involved for severe misconduct.